

# INCOME TAX WITHHOLDING INFORMATION

## For

### Emergency Firefighter Hiring Units

#### New Point-of-Hire Requirement

Effective January 1, 1999, the Internal Revenue Service (IRS) requires that federal and state income tax be withheld from emergency firefighter (EFF/casual/AD, any emergency hire under the AD pay plan) wages. The hiring unit is responsible to:

- P** Provide each emergency firefighter the opportunity to complete appropriate federal and state income tax forms, and
  - P** Timely forward these forms to the Assistant Disbursing Officer (ADO) Payment Team.
1. **Withholding Allowance Certificate (W-4)** *The W-4 is filed to ensure that the correct federal income tax is withheld. If a W-4 is not filed, federal income tax will be withheld at a default rate that is based on “single” marital status and zero withholding allowances. This is the highest withholding rate.*
  2. **Earned Income Credit Advance Payment Certificate (W-5)** *The W-5 is filed to claim Earned Income Credit (EIC). EIC reduces the amount of taxes an individual may owe. The emergency firefighter must meet eligibility requirements which include annual salary and a qualifying child. EIC does not increase net pay, it simply reduces the amount of tax owed.*
  3. **State Income Tax Withholding Forms** *State income tax withholding forms are filed to ensure the correct state income tax is withheld. If no state income tax withholding form is completed, state tax will be withheld based on the state in which the individual was hired. Emergency firefighters may request taxes be withheld from a state other than where they were hired by filing the appropriate state income tax withholding form.*

#### Obtaining Forms

Federal income tax withholding forms may be ordered from the IRS, obtained from the local IRS office and reproduced locally, or downloaded from the IRS web site on the Internet at [www.irs.ustreas.gov/prod/forms\\_pubs/](http://www.irs.ustreas.gov/prod/forms_pubs/).

State income tax withholding forms can be obtained from the local state tax office or from the state web site link found at the IRS web site. The latest information on emergency firefighter income tax withholding can be found at the BLM-Alaska Fire Service website at <http://fire.ak.blm.gov>. This website will contain general information regarding links to state tax information, ADO Contact Lists, withholding procedures, etc.

## **Completing Forms**

Hiring units should provide multiple opportunities for form completion prior to the field season. For example, this could be during pre-season training, physical fitness testing, or at the time of hire.

Hiring officials are not tax consultants. They will not advise emergency firefighters about tax law or personal income tax liability. The hiring unit will not advise the emergency firefighter as to the number or kind of withholding exemptions to claim.

The hiring unit is responsible to insure that forms are complete prior to forwarding them to the ADO Payment Team. Incomplete forms should be brought to the attention of the emergency firefighter.

## **Distribution of Forms**

Hiring units will forward original federal and state income tax withholding forms to the ADO Payment Team prior to payroll processing. The ADO Payment Team will enter the federal and state income tax withholding information into EFF-Pay and maintain files of the original documentation. It is critical that both steps are completed prior to payroll processing. Failure to complete both steps will result in federal and/or state withholding at the highest rate.

Emergency firefighters can change withholding status at any time by submitting new withholding forms. These forms must be submitted timely to the ADO Payment Team. Withholding status is not retroactive to previous earnings.

## **Other Information**

Taxes are withheld based on withholding information provided by the emergency firefighter. Withholding is done on biweekly wages (1-14 days worked) or monthly wages (15+ days worked). Salary is annualized and the IRS withholding formula is applied by the payroll program.

The payroll program generates an Earnings Statement for each check issued. The Earnings Statement includes current and year-to-date payroll and withholding information. The ADO Payment Team includes the Earnings Statement with each check.